

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 12/11/2012	(3) CONTACT/PHONE Suzan Ehdaie, Planner II / 781-4974	
(4) SUBJECT Hearing to discuss unmet community needs for the proposed annual 2013 Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) Programs. All Districts			
(5) RECOMMENDED ACTION Receive a staff presentation on unmet community development needs and take public testimony.			
(6) FUNDING SOURCE(S) Grant Funding	(7) CURRENT YEAR FINANCIAL IMPACT \$2,641,000	(8) ANNUAL FINANCIAL IMPACT \$2,641,000	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation {X} Hearing (Time Est. __45 min__) { } Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {X} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required {X} N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY {X} N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Suzan Ehdaie

VIA: Chuck Stevenson, AICP, Division Manager, Long Range Planning

DATE: 12/11/2012

SUBJECT: Hearing to discuss unmet community needs for the proposed annual 2013 Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) Programs. All Districts

RECOMMENDATION

Receive a staff presentation on unmet community development needs and take public testimony.

DISCUSSION

The 2013 Action Plan

The County is the lead agency administering the CDBG, HOME and ESG grant programs for the Urban County. The federal Department of Housing and Urban Development (HUD) designated the County and five participating cities (Arroyo Grande, Atascadero, Morro Bay, Paso Robles and San Luis Obispo) as an "Urban County" eligible to receive formula-based CDBG, HOME, and ESG grants on an annual basis.

In June 2012, Housing and Urban Development (HUD) staff strongly recommended the Urban County reduce the number of annual awards and increase the amount of each award. This is because each award increases the County's administrative responsibilities and associated costs by as much as \$7,900. To illustrate this, in 2011 Program Year (FY 2011-2012), a total of 32 awards below \$10,000 were made that required more than HUD's estimated cost to administer. As a result, HUD questioned whether such small awards provided a sufficient enough benefit to eligible persons and/or the greater community to justify the investment of federal funds.

HUD staff did not directly identify a minimum funding amount as a standard for the Urban County to adopt, but pointed to a study by a major city which recommended \$10,000 as a minimum award. In response to HUD's recommendations, County staff has recommended to the participating cities and applicants a cumulative minimum of \$10,000 per award. Also, staff met and worked with the participating cities and nonprofit organizations to inform them of impending administrative requirements and changing expectations, all of which are mandated by HUD. The intent was to prepare city staff and current award recipients for the changes and expectations now being implemented, and also prepare the recipients and potential 2013 grant recipients for the reduced number of funding awards and possible burdens to the applicants due to increase regulatory compliance requirements.

The County is preparing its one-year 2013 Action Plan which outlines projects and activities to be funded through CDBG, HOME, and ESG grant programs. As part of this process, the County is required to hold a public hearing to obtain public input on housing and community development needs. In addition to this public hearing today, the County and cities conducted three public workshops in September 2012 to discuss housing and community development needs which could be addressed through CDBG, HOME and ESG funding.

The major themes of public comments from these meetings included the need for increased affordable housing opportunities and community services. Participants also had general questions about the grant application process. The following summarizes the public input received at these workshops. See “Exhibit A” for more details on the public comments.

Summary of Affordable Housing and Community Needs:

Most attendees at the workshops commented on the need for affordable rental housing for extremely low and very low-income households, particularly in high cost areas. They also added that there is not enough housing for low-income households to help meet the objectives of the “10-Year Plan to End Homelessness.”

Local homeless services providers in the South County area are searching for a location to provide day services to homeless persons and asked for financial support. Additionally, the El Camino Homeless Organization in the North County is trying to secure a permanent site for its shelter and Community Action Partnership of San Luis Obispo is working toward constructing a new homeless service center in San Luis Obispo. These nonprofits voiced the need for funding.

Additionally, local nonprofit groups expressed support for funding for public services, public facilities, and economic development projects that benefit low and very low income households.

Specific public comments for Affordable Housing Needs were as follows:

- People’s Self Help Housing requested funding to help build rental housing for low and very low income families for their Rolling Hills Affordable Housing development project in Templeton and the Pines in Cambria.
- Paso Robles Housing Authority identified the need for HOME funds to help with the Oak Park affordable rental housing project.
- ROEM Development expressed the need of HOME funds to help develop affordable housing in the City of San Luis Obispo.
- Habitat for Humanity requested funding for affordable housing in Paso Robles.

Specific public comments for Homelessness Service Needs were as follows:

- Supporting Housing Consortium expressed the need for Tenant Based Rental Assistance (TBRA).
- Several individuals expressed support for the continued financial support to the Maxine Lewis Memorial Homeless Shelter and the Prado Day Center.
- Case management for the homeless is a need at the Maxine Lewis Memorial Shelter and the Prado Day Center. The need is also present in the North and South County areas.
- Support for the operation of ECHO’s homeless shelter in the North County was expressed.
- Ongoing discussion by the HSOC places emphasis on the need for case management opportunities as a key component to reducing homelessness in the County.
- A few attendees were concerned about the concentration of homelessness services in San Luis Obispo and advocating for a comprehensive plan to address homelessness in the South County.
- CAPSLO wished to increase the number of case managers for homeless persons in the North County.

Specific public comments for Public Services Needs were as follows:

- Representative from CAPSLO teen pregnancy program attend the workshop and requested continued funding.
- Representatives from Casa expressed continued funding for foster care and at-risk youth program.
- Transitional Food & Shelter (TFS) presented the need to provide temporary shelter to medically fragile homeless persons. TFS needs funds to help acquire a house to provide the temporary shelter. TFS currently rents several apartments in the North County and coastal areas to provide

- the temporary shelter.
- Attendees indicated a great need for detox facilities countywide in addition to sober living transitional housing.
- Attendees requested more assisted and congregate care housing for senior citizens.

Specific public comments for Economic Development were as follows:

- Mission Community Services expressed continued funding for technical assistance and classes to help stabilized businesses and create job opportunities.
- Economic Vitality Corporation stated their need for CDBG funds to help expand existing business, create new jobs and businesses by increasing the number of loan guarantees to businesses.

Specific public comments for Public Facilities Needs were as follows:

- The City of San Luis Obispo identified continued support for the allocation of CDBG funds to help pay for the new homeless campus project soft costs.
- The City of San Luis Obispo requested more CDBG funding for street and curb improvements to comply with ADA requirements.

Specific public comments for Administrative Related Issues were as follows:

- Attendees were concerned about over subsidizing projects that show less results in terms of providing affordable housing. One attendee suggested using the concept of “leveraging” to measure project’s results. Another attendee suggested to select local community developers to build affordable housing as these developers already know the local issues and needs a community faces.
- One person asked staff whether one large nonprofit group could receive a large allocation and “subcontract” to the smaller groups in order to continue providing small allocations to some groups and maximize their volunteer base. This person also asked whether the large nonprofit could receive “administrative” funding under this scenario.

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with the participating cities and nonprofit agencies to identify needs and potential projects. Staff also provided technical advice to the cities to facilitate their decision on the grant application process.

FINANCIAL CONSIDERATIONS

The CDBG and HOME programs provide funding to cover most, but not all, of the administrative costs incurred by staff. In FY 2012-13, the General Fund is expected to contribute approximately \$157,000 to offset administrative costs for these programs not reimbursed by HUD. HUD has not released preliminary funding estimates for the County and participating cities for the 2013 CDBG, HOME, and ESG programs. Participating jurisdictions will use the 2012 funding allocation figures until HUD releases the funding figures. In 2012, the Urban County received roughly \$2,641,000 in CDBG, HOME, and ESG funds. This included \$1.6 million in CDBG funds. Funding for the HOME and ESG programs were approximately \$823,357 and \$163,420 respectively.

RESULTS

The expected result of this hearing is to identify community development needs, priorities and goals for the eventual potential award of Program Year 2013 entitlement grants. Staff will consider all public comments received today and evaluate them in view of criteria established by the Board. Staff will return with funding recommendations to your Board in March 2013 based on today's hearing and other information sources including the grant applications, input from the participating cities, and in consideration of priorities from the San Luis Obispo Countywide 10-Year Plan to End Homelessness.